Heavy METL

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Official Newsletter of the U.S. Army Materiel Command's Command Sergeant Major

THIS MONTH'S FOCUS

"AMC Reduces Bureaucracy"
Command Sgt. Maj. Daniel K. Elder

As the Army Materiel Command continues to aggressively attack and reduce bureaucracy across a wide range of Army Depots, we begin to see the achievements of implementing lean systems in support of the manufacturing, repair, overhaul and maintenance of Warfighter equipment.

Four AMC organizations have been recognized with the 2006 Shingo Prize Public Sector Award for Excellence in Manufacturing. Not only are the 2006 recipients saving U.S. taxpayer's money, they are also increasing the quality and availability of military weapons that continue to keep our Warfighters in the fight.

In order to continue this achievement of excellence for the Lean process and streamline production, AMC must reduce bureaucracy by eliminating unnecessary burdens. The following information aims to introduce the process and give you an overview so you can see past the detailed steps and understand the overall concept.

Each organization is different, but must find its own way through the process. Each will have a different goal and will have a different sense of commitment. Each will have a different culture, with different barriers and advantages.

After observing many organizations attempting to transform themselves in one way or another, I offer the following observations that are gained from the hard won experience of those organizations.

• Be aware that your goal has to be more than just to de-bureaucratize. Your goal is to replace bureaucracy with a more desirable state. So, the change process will be to move toward something better, rather than to get rid of the existing state. CONTINUED...

Army Sustainment Command

Command Sgt. Maj. Norberto D. Osbourne
Letterkenny Army Depot Successfully Applies LEAN Concepts

Aviation and Missile Life Cycle Management Command

Command Sgt. Maj. Ricky P. Yates
Soldier Focused Logistics started on time, will end on time

Communications-Electronics Life Cycle Management Command

Command Sgt. Maj. Ray D. Lane
Tobyhanna resets 'SMART' terminals

Research, Development and Engineering Command

Command Sgt. Maj. Eloy H. Alcivar
Lean Six Sigma facilitates change, reduces bureaucracy

Security Assistance Command

Master Sgt. Brain Cole
Reducing Bureaucracy

TACOM Life Cycle Management Command

Command Sgt. Maj. Otis N. Cuffee
TACOM reduces bureaucracy and saves millions

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AMC Reduces Bureaucracy
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You de-bureaucratize as a by-product of achieving quality or extraordinary service or some other customer-focused goal.

• You fool yourself if you think you can reduce bureaucracy by substituting one in-focused set of goals for another in-focused set of goals. In other words, you do not de-bureaucratize by mounting a campaign for better profits, or lower costs, or higher dividends. These are examples of the kinds of goals that led your organization to becoming bureaucratic in the first place.

• Senior management commitment is the key determinant of success. If you have it, and can maintain it for long enough, your changed effort can succeed. If you only have a little commitment, or if you lose the commitment you have, you will be likely to quickly revert back to the present state.

• If your senior management team is clear in its understanding of what is required, and it has a strong commitment, it can choose an ambitious goal and achieve it. If senior management is unclear about what is required, or has a different view of how ambitious the change should be, then it is best to choose a more modest goal.

• Middle managers, because of their existing goals and measures, are the biggest barrier to achieving success. To succeed, middle managers must play important roles in the change process, and new customer-focused goals and performance management measures must be substituted for the existing in-focused set.

• Achieving the desired goal state will take longer than senior management expects. Achieving the goal state is a process–not a project. It does not have an end, and it will never be finished.

• A shadow organization is a must if you hope to achieve even modest long-term change. The shadow organization is an informal organization, superimposed upon the existing organization, consisting of teams with names like steering committee, task force, action team, etc. The shadow organization will spearhead the change effort and will be made up of the people who will facilitate and manage the change.

Without a shadow organization, the bureaucracy in the existing organization will, in spite of good intentions, unwittingly sabotage and ultimately destroy the change effort. And, it may take years to discover that the change effort has failed.

• The most critical period is the middle phase, when you are partway through the change. You have part of the organization living in the "old world" and part of it living in the "new world." If you do not understand that the feeling of "one foot in each world" is normal, you may give up your gains and snap back into bureaucracy.

• You are likely starting from a position where you are "top-heavy" and "bottom-lean." If it is not too late, resist the temptation to downsize and instead redeploy your redundant middle managers. Redeploy them to the shadow organization or to the field organization where they can help solve the leanness problem and fill in for managers who need to be retrained in their new roles.

• Keeping the redundant managers will be more expensive than replacing them with new lower-level employees. On the other hand, you will gain by keeping the managers' experience and by building a more loyal team. Be clear, however, that managers who are unwilling or unable to work effectively at a level closer to the customer will not be allowed to impede the change effort.

Letterkenny Army Depot Successfully Applies LEAN Concepts

U. S. Army Materiel Command has transformed itself into a leaner organization of about 49,000 civilian employees.

Rapid technological improvements, an international trend toward downsizing and a series of Base Realignment and Closings have all combined to transform today's Army and AMC into a leaner, more streamlined organization.

Arldean Benson, at Letterkenny Army Depot tightens bolts on armor door.

Letterkenny Army Depot has been influenced by all these events during the last two decades. The depot is leaner today than ever before thanks to a process known as Lean Manufacturing. The depot employs about 1300 federal civilian employees, complimented by about five hundred contractor employees, on a campus where overall DoD tenant and LEAD employment is about 2900.

When Lean manufacturing was endorsed and promoted by AMC in 2002, Letterkenny entered the on-going Lean journey with enthusiasm.

Bureaucratic barriers are eliminated early in the employee-driven Lean process. A team consisting of Lean experts joins with employees from the work area and at least one outside "set of eyes" is added. A management representative acting as a "tie-breaker" and called a "barrier buster" is added to the team. The team looks at a process in a given area and has authority to make instant changes.

A successful Lean event identifies wasteful movements and processes. Every ingredient in the process is examined and can result in identifying an area that has more employees than necessary. The natural forces of resistance were quickly overcome with a Command promise that no employee would lose their job as a result of Lean. Once employees were comfortable that their jobs were safe (although they could be reassigned), the unions assured future success by engaging early in the Lean process.

Letterkenny, the Army's tactical missile and repair facility, applied Lean concepts to our core mission areas early in the process. The first process where Lean was applied was in the Patriot Missile and Recapitalization facility. We learned early that Lean works. Once Lean techniques were employed, for example, the depot learned that it could repair 40 Patriot launcher systems for the price of 36. This amounted to a savings of $1.2 million.

Mike Plasterer, at Letterkenny Army Depot operates the laser-cutting machine. He is cutting steel for armored truck (M939) cabs.

It is all about efficiency and the continual process of Lean.

Letterkenny next applied Lean to transform our Special Forces Ground Mobility Vehicle line. Production was increased to 24

vehicles a week during the early days of Operation Iraqi Freedom. More importantly, the process allowed the depot to dramatically reduce turnaround time.

Imagine reducing turnaround time from 10 weeks to just 8.8 days! An added bonus was a savings of $990,000 to the customer.

When the depot was called on to produce Armor products, it applied Lean techniques to this process. We began by producing armored boxes. The next project was fabricating armor door kits. Eight hundred sixty of these door kits were produced ahead of schedule and under cost. We later produced armor kits for 5,000-gallon tankers and M939 truck cabs.

You might think these savings and efficiencies are significant and they are, but they are only part of the success.

Applying Lean and identifying waste tends to tighten the process and reduce wasted floor space. This creates new benefits and many new opportunities.

Word spread and Letterkenny became known as a "Capabilities Based Depot", able to produce for the Soldier faster, better and cheaper. The Soldier wins in another way. By identifying and returning Lean savings to our DoD customer, they are able to apply these savings to additional equipment for repair. The floor space that was vacated through Lean efforts allows opportunities for new partnerships and generates capabilities to deliver even more to our DoD customers.

Letterkenny recently partnered with Lockheed Martin Missile and Fire Control to test and repair the Javelin missile and TADS/PNVS—Target Acquisition, Designation Sight/Pilot's Night Vision Sensor, a subassembly of the Apache attack helicopter.

The depot will "recap" 3200 HMMWVs in FY06. We will repair 250 generators a month during FY06 also. The depot resets Force Provider units and returns them to the field so Soldiers can enjoy a few comforts like showers and hot meals.

We also repair Aviation Generation Power Units, those generators feeding power to aircraft on the ground. We assemble Biological Integrated Detection System shelters and overhaul Mobile Kitchen Trailers.

Letterkenny's employees have enjoyed a boost in morale that comes with participating in identifying efficiencies and their contributions toward victory in the Global War on Terror.

This note is packed inside each crate of armor kits that were shipped.

Letterkenny's successful application of Lean concepts has brought the depot highly acclaimed recognition. LEAD became the first Army Depot ever to win the Shingo Prize, Public Service category. Business Week has recognized winning this award as the equivalent of a Nobel Prize for manufacturing.

Employees at Letterkenny Army Depot are proud of their accomplishments and their continued support to the Warfighter.

Soldier Focused Logistics started on time, will end on time

New process puts, Soldiers first

Transformation is the name of the game for today's Army. In the interest of serving our Soldiers the Army Aviation and Missile Life Cycle Management Command is changing to Soldier Focused Logistics or SFL Teams. Currently, AMCOM and the Program Executive Offices for Aviation and Missiles and Space are forming SFL teams to integrate

the sustainment pieces of a weapons system into the care of the Project Manager.

According to Frank Tarpley, G4 Coordinator for SFL, the project managers had not been in control of the functions that helped sustain their systems. However, with SFL Teams, the PM is the person in charge. The SFL teams physically started to move people last September.

During the moves, some sustainment groups stay connected virtually to their PM. That way the PM has control of all of the sustainment functions that supported their system prior to the beginning of the physical moves.

"SFL is intended to give the PM total control over a system, cradle-to-grave, by merging or co-locating all of the sustainment functions with the PM. Co-location is our first priority," Tarpley said.

The groups that are being moved vary. It depends on the system and who supports that system. Each SFL move is tailored to the needs to that particular system and the Project Manager. Currently, the moves are being coordinated through a joint venture among the Business Initiatives Office, G3 and G4; with G4 as the lead for execution.

The target goal for completion of SFL is to "establish 11 SFL teams by the end of Fiscal Year 2006", according to Tarpley.

To date six project offices have completed the co-locating process with five pending. Co-locating sustainment functions with the PM means that there are several other organizations affected by the moves within AMCOM.

So far of the 15 other organizations on post that are affected by the moves, nine are completed and six are pending completion. With the SFL moves on target that means that 1181 people of the 2400 planned have been moved.

One priority was to move on to the installation as many people as possible who were located off-post. The SFL process does not necessarily move a whole office or division. Some people move from a group to a PM and leave a large core group behind -- the office is compressed.

According to Carol Meekins, G4 move coordinator, "to be able to establish teams of 200-450 people we had to move other organizations around. Our goal is to physically co-locate as many people with their respective PM as possible to maintain connectivity."

The plan to co-locate for SFL Teams was developed a year ago to help the work being done here to enable the LCMC to be a success.

To date the SFL move process has been very successful and remained on schedule.

"There have been a few fairly minor slips, but all-in-all we have remained on our initial schedule. The plan is to be complete by the end of fiscal year 06, and while our day to day schedules might change that milestone is firm," Meekins said.

The G4 acts as manager of the plan and executes the SFL moves. They work with on-site coordinators for each PM co-locating to make sure any problems experienced do not impact the overall picture.

"We started on time and we will end on time. We have a total commitment to making sure all issues are handled and resolved," Tarpley said.

All of the people involved with coordinating and executing the moves have held weekly manager and move coordinator meetings with all of the groups enabling the moves, such as the Directorates of Information Management, Public Works, and Logistics. They meet weekly to go through the requirements that need to be done to pull a job or a move together.

"We have been very lucky to work with some outstanding move coordinators. At this point, all of our moves have gone very smooth. The key to these meetings is to plan and then execute," Tarpley said.

In order to ensure success over everything that needs to get done, G4 puts an on-site coordinator from their office to work with the PM move coordinator and all of the enabling groups. According to Sandra Lyles-Jackson, SFL move on-site coordinator, the moves might seem bumpy at first, but they always smooth out.

"As an on-site move coordinator, the weekly meetings really make the progress of smooth transition possible. Overall all of the moves that I have worked have gone smoothly and the people seem satisfied," Lyles-Jackson said.

"The bottom line is that SFL is up and running. We are all working together and are starting to realize benefits such as improved communications and networking capabilities that SFL has to offer," Tarpley said.

Tobyhanna resets 'SMART' terminals

Tobyhanna has expanded its Reset capabilities to SMART-T satellite terminals. Reset is a program in which equipment is returned to pre-deployment condition for return to service as quickly as possible.

SMART-T is the AN/TSC-154 Secure Mobile Anti-jam Reliable Tactical Terminal, a Military Strategic and Tactical Relay satellite-compatible ground communications terminal. It provides worldwide data and voice communications from a stationary mission site.

The system, which is mounted on a HMMWV, also provides range extension for Mobile Subscriber Equipment. Technicians in the depot's Tactical Satellite Equipment Branch were trained by Communications-Electronics Life Cycle Management Command personnel here and began to assist them there to Reset the systems in December at the C-E LCMC. The branch is part of the depot's Communications Systems Directorate.

The C-E LCMC Extremely High Frequency Satellite Systems Product Manager Office for the SMART-T teamed with the depot's Satellite Communications Division to form a very capable and seasoned Integrated Product Team to plan, program, train and implement seamless Reset activities as one of the main objectives for the Reset transition, said Mel Pointer, C-E LCMC's integrated logistics support manager for SMART-T.

Tobyhanna was sending teams every two weeks to the LCMC, but Electronics Mechanic Kevin Piwowarski, said the work was moved to Tobyhanna due to the depot's ability to Reset HMMWVs.

"Before, Reset systems were fielded to units in Southwest Asia with little or no repairs to the HMMWVs; we said we could restore the HMMWVs as well," explained Electronics Mechanic Jesse Brown.

"Tobyhanna Army Depot has an outstanding track record in this line of business and has the facilities, personnel, technical expertise, as well as the capacity to effectively and efficiently improve SMART-T processes throughput in support of unit rotations and Army Forces Generation Requirement," Pointer said. "We are confident that transitioning the SMART-T Reset effort to Tobyhanna is the correct step for expanding future organic sustainment capabilities."

Work at Tobyhanna began in August. Branch Chief Howie Miller said the systems they are Resetting are from Army units stationed in Southwest Asia.

"Right now, we're doing about 10 systems and more are on the way," he added. "We will continue this mission into 2007."

Each system is tested, disassembled, cleaned, mechanically repaired and cables are repaired or replaced. Technicians troubleshoot the electronics components down to circuit card level, but do not perform any repairs. Electronics are covered under the manufacturer's (Raytheon) warranty, so technicians remove the circuit cards and send them to the manufacturer.

The systems are then assembled, tested offline (without satellite link) then tested online with a satellite.

"It's tested online for 24 hours to make sure it tracks correctly with the satellite," Miller said.

Brown noted that the time it takes to reset a system depends on its condition when it arrives.

"Some are not functioning when they arrive, and the insides are usually coated with sand," he said. "There is no set pattern of repairs; varying degrees of repairs are done for different components."

HMMWVs are repaired by the depot's Tactical Vehicles Branch. Repairs are made to everything from tires to engines and transmissions, says Ken Lewis, the branch chief.

"There is usually extensive damage to sheet metal, which we repair in our shop," he said. "We're working on SMART-T HMMWVs now, and more are on the way. So far, we have not missed a deadline."

After the HMMWVs are repaired, they are sent to the depot's Mobile Refinishing Branch for painting.

"Tobyhanna possesses multi-faceted, transferable skills that can be applied to many systems," noted Stacy Lockhart, a Washington Fellow intern undergoing Lean training in the SMART-T PM office at Fort Monmouth.

"The effort in this phase is to transition with minimum turbulence, focusing on SMART-T unique tasks and developing a manageable process to execute Reset with measurable metrics and accounting practices that conform to best business practices. In that regard, we are pleased with the progress and support by our chain of command in transitioning this level of effort to the depot."

Although the current SMART-T Reset work is strictly for the Army, Miller said a memorandum of agreement is in the process of being signed with the U.S. Marine Corps to reset their SMART-Ts in the near future.

Lean Six Sigma facilitates change, reduces bureaucracy

"Change has to happen. Don't fight it, but rather try and be a part of the process," were the words of John Holmes, newly brought to the U.S. Army Research, Development and Engineering Command to facilitate change across the command.

Holmes has been at RDECOM for a few months and is a part of a Lean Six Sigma team that has been tasked with the responsibility of managing the command's continuous process of improvement and efficiency.

Part of Holmes' LSS team is Maj. Tracy Pennycuick. Pennycuick has recently made the move from AMC to the RDECOM to implement her LSS training on a command level. Holmes and Pennycuick are now helping others learn and implement the Lean Six Sigma philosophies.

Pennycuick said that her objectives directly coincide with RDECOM's mission "to get the right integrated technologies into the hands of Warfighters quicker."

Lean and Six Sigma are both process improvement methodologies. Lean is about speed and efficiency and Six Sigma is about precision and accuracy leading to data-driven decisions.

While at the Army Materiel Command, Pennycuick was asked to evaluate AMC's contractor accountability process in Southwest Asia by Col. Hugh Robinson, chief of plans and operations, current operations, G3." Through her evaluation, she found holes in the way AMC accounted for contractors on the battlefield and knew this would be a perfect LSS project.

She found that, DoD and non-DoD contractors were entering, leaving and traveling through Iraq, Afghanistan and Kuwait without a clear tracking process or accountability. Although the Aerial Ports of Debarkation capture contractor data, they are

not strategically placed on the battlefield and therefore leave huge gaps.

Pennycuick focused on tracking contractors by the way they move, cross checking references and clearances in different systems, and verifying their information. The new system would provide better security and allow the proper company to be billed when contractors incurred expenses.

The major also found that standardizing forms and procedures allowed contractor control cells to become modular and shift as needed with the Army. Memorandums of Agreement with rotary wing and Army fixed wing have increased AMC visibility over contractor inter-theater movement by 70 percent.

Recently, RDECOM held an executive session LSS two-day workshop where two of the hot topics were: reduction of the number of written reports and reduction of the number of required meetings. They have begun the process of reviewing the necessity of the meetings and reports and either consolidating or eliminating them.

Pennycuick and Holmes are also spearheading a project to introduce LSS tools to in the first wave of Greenbelt training to selected RDECOM employees.

"We will basically mentor students and make recommendations," she said. One of the first projects they will analyze and track is how long documents to be signed by RDECOM Commander Maj. Gen. Roger A. Nadeau, wait in the command group before he sees them.

"They will look into what the inhibitors are for the documents and look at the tracking time." She said that this was something that was a high priority for Nadeau.

She and Holmes have brought that same efficient mentality to RDECOM. They have now begun the process of educating the entire command on LSS processes with hopes of a less bureaucratic, more efficient organization.

Reducing Bureaucracy

The mission of the United States Army Security Assistance Command is to implement approved U.S. Army security assistance programs, including Foreign Military Sales of defense articles and services to eligible foreign governments. The Command manages approximately 4,000 FMS cases valued at $49 billion, as well as co-production of Army materiel.

In addition, USASAC is responsible for Army security assistance information management and financial policy, and provides logistics guidance to the Army security assistance community.

Today, the Command is increasingly responding to support of U.S. government emergency assistance, humanitarian relief, and Operations Other Than War, including United Nations peacekeeping operations.
In carrying out the Army security assistance mission, USASAC calls on all Army Materiel Command Life Cycle Management Commands, as well as other Department of Defense agencies and U.S. industry for support.

USASAC is responsible for life cycle management of FMS cases, from development to execution, financial management, accounting, and settlement. Each sale of equipment to overseas customers comprises the same "total package" of quality materiel, spare parts, training, publications, technical documentation, maintenance support, and other services that AMC provides to U.S. Army units.

Challenge

As with any organization, USASAC faces many challenges in fulfilling its role in the Security Assistance Community. One ever-present challenge is the need to ensure that our workforce has the appropriate tools, in terms of technology, to productively and efficiently support our mission. To a large extent, existing institutional systems at both

the Army and Tri-Services level, such as the Defense Security Assistance Management System, provide an integral part of that tool set.

However, due to the various levels of coordination required, as well as the vast complexity of the Security Assistance FMS life cycle, many activities fall outside the scope of these larger institutional applications. As a result, the processing and coordination of these actions have defaulted to organizational emails, and at times, by manual means. Inherit in these methods are lack of standardization, limited visibility, accountability and tracking of these important activities.

Solution

Initially tasked by the Deputy Assistant Secretary for Defense Exports and Cooperation, USASAC has developed an electronic collaborative environment, termed E-Collaboration, to address the following:

Provide more automation for functions that may still be done manually.

Improve process oversight and control, for both individual and management thru improved visibility.

Electronically capture audit trails and history, providing accurate and timely reports and metrics.

Provide a centralized repository to improve archival and retrieval of past information.

Provide standardization of business processes, internally and across organizations.

USASAC has worked in conjunction with the other LCMCs, to include the Aviation and Missile Life Cycle Management Command, Communications-Electronics Life Cycle Management Command, Tank-automotive and Armaments Life Cycle Management Command, and Joint Munitions Command to implement E-Collaboration to the Security Assistance Community users.

Results

To date, E-Collaboration is used to incorporate selected Security Assistance activities into secured web-based environment to improve and streamline our business processes. Selected activities such as Pre Letter of Request, request for information, LOR technical reviews, and coordination of Program Management Lines are now initiated and completed through the E-Collaboration environment. This provides for a single point of entry for all Security Assistance users to access and work their specific actions. At the same time, visibility to the information at hand and the ability to quickly obtain status of an action are available at the command level, branch level, down to the action officer.

Additionally, improved standardization of these business activities is achieved as a common set of interfaces, forms, and reports is provided for the users.

Since implementation, USASAC has seen improved efficiency and, in many instances, faster processing times in these activities. With the benefits seen, USASAC has also begun to incorporate various internal and administrative processes into E-Collaboration to further increase the Return on Investment. As USASAC continues to support its mission, E-Collaboration will not only allow us to keep pace with technology, but also be a launching platform for future automation needs.

TACOM reduces bureaucracy and saves millions "Customer Pay" pays off

The TACOM Life Cycle Management Command is taking the lead in a new program that is now saving the government millions of dollars.

The program, called Customer Pay, is a just-in-time delivery program of parts to the maintenance lines. As a result of Customer Pay, maintenance depots are getting parts and supplies faster and cheaper and Soldiers are

getting refurbished equipment returned sooner. Customer Pay pays for parts needed for the maintenance line at the point of delivery.

That reduces the need for millions of dollars of Army inventory and lowers prices for spare parts. Additionally, supply chain costs are reduced since management at the production line minimizes handling by government personnel.

The concept was developed in a pilot program involving TACOM, the Defense Logistics Agency and its field activity the Defense Supply Center Columbus, the AM General Corp., two Army maintenance depots and the Maine Military Authority. Results from the pilot show dramatically increased performance support and greatly reduced costs to rebuild HMMWVs.

TACOM is the Customer Pay program manager, the source of supply to AM General, the initial production test lead, the weapons system and rebuilding manager, the centralized e-business manager and the funding source.

DSCC is the DLA program manager for the DLA and AMG parts awarded and administers the contract. TACOM remains the parts integrator and total Weapon Systems Manager.

"It's been a total Team effort, almost a complete re-structuring of the way we normally do business," said Pat Dempsey-Klott the Customer Pay Program Manager.

"The territorial lines between partners have disappeared and we really work together towards a common goal -- getting the Soldier a better and lower-priced vehicle much more quickly."

The Customer Pay program allows DOD to use the most cost-effective sources in the supply chain for spare parts and then provide a back-up supply chain in case of support problems. This safety net creates a significant reduction of inventory while improving supply support performance.

Thanks to Customer Pay, almost $820,000 was saved in reduced depot supply chain manpower expenses in just over three months last winter. Spare parts costs were reduced by leveraging the two supply chains, and the total cost of refurbishing the vehicle was reduced. Initial results from the pilot evaluation indicates a cost reduction of $2,000 per vehicle.